

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2897 – HB 3223

February 14, 2012

SUMMARY OF BILL: Reclassifies the Tennessee Walking Horse license plate from a cultural plate to a new specialty earmarked license plate and allocates 50 percent of the proceeds from the sale of such license plates to the Tennessee Equine Association.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$61,200/Arts Commission/FY12-13 and Subsequent
Years
\$15,300/Highway Fund/FY12-13 and Subsequent
Years**

Other Fiscal Impact – The Tennessee Equine Association will receive 50 percent of the proceeds from the sale of the Tennessee Walking Horse new specialty earmarked plate. In FY12-13 and subsequent years, the increase in revenue to the Tennessee Equine Association will be \$76,500. This estimate is based on the current sale of 4,369 Tennessee Walking Horse license plates.

Assumptions:

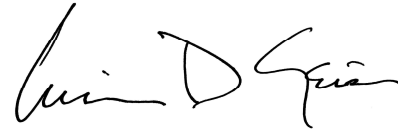
- In FY12-13 and subsequent fiscal years, the Tennessee Walking Horse plate will change from a cultural plate to a new specialty earmarked plate.
- Currently, proceeds from the sale of the Tennessee Walking Horse cultural plate are distributed 80 percent to the Arts Commission and 20 percent to the Highway Fund.
- Under the provisions of this bill, proceeds from the sale of the new specialty earmarked license plate will be allocated 50 percent to the Tennessee Equine Association; 40 percent to the Arts Commission; and 10 percent to the Highway Fund.
- A portion of the funds collected from the sale of the new specialty earmarked license plate will be shifted from the Arts Commission and the Highway Fund to the Tennessee Equine Association.
- According to the Department of Revenue, as of January 2012 there have been 4,369 Tennessee Walking Horse cultural plates sold.

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- Changing from the cultural plate with 100% distribution to state agencies to the new specialty earmarked plate with 50% of the revenue distributed to benefit the Tennessee Equine Association will result in a loss of funds to the Arts Commission and the Highway Fund.
- Under the provisions of the bill, the new specialty earmarked license plates shall be of the same design as the Tennessee Walking Horse cultural plate as it existed prior to July 1, 2012. All such plates shall be classified as new specialty earmarked plates upon their first renewal after July 1, 2012.
- This estimate is based on a plate cost of \$35.00 each.
- Revenue (4,369 plates x 35.00 each = \$152,915).
- According to the Department of Revenue, in FY12-13 and subsequent years, the decrease in state revenue for the Arts Commission will be \$61,166 (\$152,915 x 40%), and the decrease in state revenue for the Highway Fund will be \$15,292 (\$152,915 x 10%). The Tennessee Equine Association will have an increase in revenue of \$76,457 (\$152,915 x 50%).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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